

ATTACHMENT B

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Illinois Bell Telephone Company)
Indiana Bell telephone Company,)
Michigan Bell Telephone Company,)
The Ohio Bell Telephone Company)
Wisconsin Bell, Inc.,)
)
Complainants,) File No. E-98-35
)
v.)
)
AT&T Corp.,)
)
Defendant.)

AFFIDAVIT OF DEBORAH CHANDLER

STATE OF CALIFORNIA)
) ss.:
COUNTY OF)

DEBORAH CHANDLER, being duly sworn, deposes and
says:

1. I am employed as a Manager in AT&T's Access
Management in Pleasanton, California and am responsible for
Custom Access Support. I make this affidavit to generally
describe and explain the SCPA process and to respond to
various claims made by Ameritech in its Complaint and in the
Affidavit of Blaine C. Gilles regarding the SCPA procedures,
their application and implementation.

2. I received a Masters of Management from John F.
Kennedy University in 1994 with a concentration in
Organizational Development and Change Management. I also

received my Bachelor of Arts degree (cum laude) in Psychology from Westminster College in 1977.

3. My employment experience in the telecommunications industry dates from 1978.¹ From 1988 to the present, I have been Manager Access Management. In that role, I have managed a National Project Management team, responsible for the installation of predominantly non-AT&T owned equipment at AT&T's Points of Presence ("POPs"), including the implementation of Shared Customer Provided Access ("SCPA") arrangements, process management and policy support.

4. In my current capacity, I am familiar with the project management, network engineering, outside plant engineering, power engineering, building engineering, onsite workforce and installation work required to implement these equipment installations at AT&T's POPs. My current

¹ At that time, I began work as Manager Operator Services with Mountain Bell, where I was responsible for large team management to ensure customer satisfaction. From 1983-1984, I was in Outside Plant and Central Office Engineering at Mountain Bell, where I was responsible for forecasting and implementing capacity buildouts for outside plant and central office equipment requirements for the Salt Lake City area and surrounding areas.

In 1984, I joined AT&T, and from 1984-1985, I was Manager Operator Services where I was again responsible for large team management to ensure customer satisfaction. From 1985-1986, I was Manager HQ Finance at AT&T, where I directed the development of systems, methods and procedures for implementation in AT&T's Billing Offices. In 1986, I became Manager Network Capacity Management for AT&T, where I developed and implemented a customer/supplier communications process with local exchange companies, which AT&T adopted nationwide to support switched access.

responsibilities also include processing SCPA questionnaires received by AT&T from LECs, CAPs and other access vendors nationwide. I am regularly involved in the development of processes and process changes, the management of customer and vendor issue resolution and handling escalations and expedites on a daily basis.

5. Initially, I would observe that Ameritech's various complaints about SCPA procedures and requirements arise from the application by AT&T of the so-called "split equipment" policy -- the requirement that equipment for baseline and coordinated access be installed in separate space in AT&T's POPs. As Mr. Polete explains in his affidavit, AT&T has now changed its policy to eliminate the split equipment requirement. Thus, Ameritech will be able to add baseline and coordinated circuits to existing equipment used to terminate total service access in AT&T POPs, without having to enter into a new SCPA arrangement. My affidavit in large part addresses the way in which the SCPA process has worked in a split equipment context and will show that Ameritech's contentions concerning the process are unfounded and erroneous; beyond that, however, elimination of the split equipment restriction should render Ameritech's charges academic at this point.

6. An SCPA is essentially an arrangement whereby access vendors who wish to provide baseline and coordinated access service to customers (other than vendors using

grandfathered equipment in the Access Area² to provide such service) have obtained space in AT&T's POP to house and install access terminating equipment to terminate their baseline and coordinated access service, as well as the power, security and environmental controls necessary to operate that space.

7. To establish an SCPA arrangement, access vendors have submitted to AT&T an SCPA questionnaire describing their requirements. Upon receipt of a completed SCPA questionnaire, AT&T performed a feasibility study, after which it issued a price letter to the vendor which included a description of the work to be done to prepare the SCPA space and a price for that work, and a monthly recurring charge.³ If the price quote was accepted by the vendor, AT&T sent the vendor its standard Building Space License Agreement for execution.

8. The vendor has then executed the contract, and submitted the appropriate payment. Once the contract has

² As used in this affidavit, the term "Access Area" refers to the space in the AT&T POP where access vendor terminating equipment is housed. This is the same space that is referred to in the accompanying affidavit of Mr. Robert E. Polete, Jr. as the "LEC Equipment Space."

³ AT&T has not provided the majority of special access vendors establishing SCPA arrangements with an itemization of the work reflected in their non-recurring charges, for the simple reason that most vendors have not requested such an itemization. However, because Ameritech has requested such information from AT&T has provided a line itemization of the work reflected in its non-recurring charges.

been executed and payment received, AT&T has issued a project letter. AT&T has then performed its installation of the SCPA arrangement, and turned the space over to the vendor (in this case, Ameritech) for installation of its equipment and final completion of the space. A much more detailed description is contained in AT&T's Custom Access Support SCPA Process Document which AT&T shares with requesting vendors. AT&T has processed well over 100 SCPA questionnaires in each of the last two years.

9. While standard pricing and costing formulae have been used in preparing price quotes for all SCPA questionnaires submitted, it was not possible to provide vendors with meaningful standard price sheets because the scope of the work required to establish an SCPA arrangement varied from POP to POP and within each POP. In fact, not only has the scope of work varied for different vendors within the same POP depending upon the vendors' particular demands and the configurations they requested, but such work also could vary for the same vendor in the same POP at different times. For example, even assuming a vendor had standardized costing and pricing information available to it, it is highly unlikely that the vendor could reasonably calculate the price of its SCPA space until a questionnaire was submitted and AT&T conducts its feasibility study for placement of the equipment. Consequently, SCPA arrangements have been managed on an individual case basis.

10. However, it is not accurate to view the SCPA process as an individual customer provisioning process based upon a specific customer order (and thus not commenced until a customer order is actually received). Instead, SCPA has been part of a network capacity planning function with which Ameritech is quite familiar. Ameritech has also recognized the need to maintain available capacity on its facilities so that, when it receives a service request, it can respond to that request without planning and constructing new facilities prior to the delivery of the requested service. Because the SCPA process has sometimes taken up to four months to complete, special access vendors generally have recognized that they had to engage in this forecasting and network capacity planning process, and to plan for and install network capacity in their SCPA space in advance of provisioning specific customer orders for baseline and coordinated access services.

11. While AT&T's SCPA policy has been in effect since divestiture, it was not until late 1994 that AT&T began strictly and consistently enforcing it as a result of significant increases in space demands by incumbent LECs and CAPs, particularly for servicing baseline and coordinated access customers. Prior to 1994, dedicated access vendors were allowed to terminate all baseline and coordinated access circuits on the equipment housed in the Access Area. To allow for an orderly transition to an SCPA environment, AT&T allowed for the "grandfathering" of existing equipment

and circuits in the Access Area for the provision of baseline and coordinated service. All LEC equipment installed in the Access Area prior to March 1995 was grandfathered and could be used (and, indeed, has been used to this day) by Ameritech to serve baseline and coordinated access customers.

12. As described below at ¶¶ 13-15, starting in mid-1997, Ameritech inundated AT&T with SCPA questionnaires. Prior to that time Ameritech was able effectively to use the capacity on its grandfathered equipment in the Access Area to provide baseline and coordinated access services. Indeed, nearly all of Ameritech's baseline and coordinated access services since AT&T began applying the SCPA policy to Ameritech in March 1995 have been provided using such grandfathered equipment.

13. As AT&T has advised Ameritech, under its SCPA policy the standard interval for responding to SCPA requests with a price quote, price letter or notification asking for clarification of the request has been 22 business days. The fact that the 22 business day interval was standard meant just that: AT&T would respond to some questionnaires in less than that time period, while it might take longer to respond to others, depending upon the circumstances. Certainly, under normal circumstances, AT&T has made every effort to respond to SCPA questionnaires within 22 business days or less. Extenuating circumstances, however, can and

have varied the length of that interval, as they have in the case of Ameritech.

14. Specifically, on July 23, 1997, Ameritech sent a total of sixteen SCPA questionnaires to AT&T -- four for each of four different sites, or POPs. On August 21 and 22, 1997, Ameritech submitted an additional twenty-eight SCPA questionnaires for seven different POPs. On September 9, Ameritech submitted sixteen more questionnaires for four more POPs. On September 12, 1997, Ameritech submitted sixteen more requests for four additional POPs or sites. And on September 15 and 16, 1997, Ameritech sent forty-four more questionnaires for eleven POPs. In sum, AT&T received 120 SCPA questionnaires from Ameritech during a two month period, 104 of which were sent over the course of just eighteen business days.⁴ The sheer volume of such requests made it impossible for AT&T to respond to all of them within the standard 22 business day interval, as Mr. William West, AT&T's Regional Vice President of Access, advised Ameritech.

15. AT&T nonetheless worked very hard to handle the exceptional volume of Ameritech's SCPA requests. Realizing

⁴ The fact Ameritech submitted four separate questionnaires and requested four separate price quotes for each POP is highly unusual; most vendors submit one SCPA questionnaire per POP at a time. AT&T's policy is to process one SCPA request at a time for each POP from a particular vendor, and it has returned SCPA questionnaires to vendors which contain multiple requests for a single POP. However, AT&T made an exception in the case of Ameritech and agreed to (and did) process Ameritech's numerous multiple requests for a single POP.

that AT&T would not be able to respond to each and every one of them within 22 business days, on September 23, 1997, I contacted Ms. Mary Fox in Transport Product Management at Ameritech to discuss this unprecedented volume of requests. I told Ms. Fox that AT&T would not be able to respond to all of the SCPA requests within 22 business days. I asked Ms. Fox to prioritize the sites for which SCPA questionnaires were submitted, and told her that once AT&T received that information, AT&T would issue a schedule for responding to the seventy-six requests received in September.

16. Ms. Fox agreed to provide the prioritization information I requested, and furnished that information to me orally and in writing on October 23, 1997, a month later. During that month, AT&T did not stop work, but continued working diligently to process Ameritech's SCPA questionnaires. After the prioritization schedule was received from Ameritech, I personally provided Ms. Fox with a schedule for providing SCPA questionnaire responses by AT&T, and those dates were later satisfied by AT&T. AT&T also met all due dates for installation of the SCPAs negotiated with Ameritech.

17. Of all my experiences processing SCPA questionnaires and establishing SCPA arrangements for the provision of baseline and coordinated access services on a nationwide basis, my experience with Ameritech has been the most unique in several respects. Until recently and unlike most vendors submitting questionnaires for SCPA space,

Ameritech has waited until it has secured a dedicated access customer before it submits an SCPA questionnaire. As I indicated above, however, the SCPA process is a network capacity planning process, not a customer provisioning process. Most other vendors have done a better job planning and forecasting the demand for and capacity they will require in SCPA space, and they establish SCPA arrangements in advance of receiving customer orders. Even though Ameritech has not engaged in the network capacity and planning phase for SCPA space in a timely fashion, AT&T has accommodated Ameritech to the maximum extent possible to ensure that Ameritech can provide service to its baseline and coordinated service customers as quickly as possible.

18. Assuming Ameritech, like the majority of dedicated access vendors, engaged in the appropriate network capacity and planning necessary to establish SCPA arrangements at AT&T's POPs, there is absolutely no reason a dedicated access customer approaching Ameritech could not purchase baseline or coordinated service terminating in SCPA space within the same time interval as AT&T can provide total service by purchasing the dedicated access link from Ameritech. It has been Ameritech's failure to adequately consider and effectively plan for this eventuality, not the SCPA policy, that has accounted for any alleged delay in the provisioning of Ameritech's baseline and coordinated access service terminating on equipment in SCPA space. Again, however, as I noted at the outset of my affidavit AT&T is no

longer requiring separate SCPA arrangements for baseline and coordinated access equipment. Consequently, Ameritech's complaints with respect to SCPA procedures are not only unfounded, for the reasons I have discussed, they are not relevant to the circumstances going forward.

I declare under penalty of perjury that the foregoing
is true and accurate to the best of my knowledge and belief.

Executed on April 20, 1998

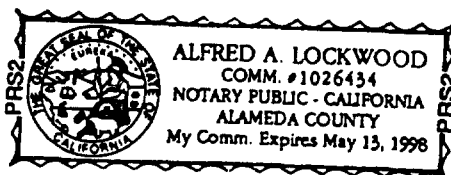
Deborah Chandler
Deborah Chandler

SUBSCRIBED AND SWORN TO BEFORE ME this 20th day of April
1998.

Alfred A. Lockwood
Notary Public

My Commission Expires:

5-13-98



ATTACHMENT C

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Illinois Bell Telephone Company)	
Indiana Bell telephone Company,)	
Michigan Bell Telephone Company,)	
The Ohio Bell Telephone Company)	
Wisconsin Bell, Inc.,)	
)	
Complainants,)	File No. E-98-35
)	
v.)	
)	
AT&T Corp.,)	
)	
Defendant.)	

CERTIFICATION OF SETTLEMENT ATTEMPTS

Pursuant to Section 1.724(h) of the Commission's Rules, 47 C.F.R. § 1.724(h), defendant AT&T Corp. ("AT&T") provides this certification regarding its attempts in good faith to settle these disputed matters prior to (and, indeed, even after) the filing of the above-captioned formal complaint by Illinois Bell Telephone Co., et al. (collectively, "Ameritech").

1. For some time prior to March 9, 1998, AT&T and Ameritech had been engaged in complaint proceedings before the Illinois Commerce Commission ("ICC") and the Public Utilities Commission of Ohio ("PUCO") regarding AT&T's SCPA policy. On March 9, AT&T and Ameritech personnel met to discuss the principles to be included in a settlement that would provide Ameritech the ability to use the same set of equipment and space in AT&T's Points

of Presence ("POPs") to serve intrastate and interstate special access for baseline, coordinated access and total service circuits. On March 12, AT&T and Ameritech personnel conducted a follow-up telephone conference to pursue the discussions held on March 9.

2. On March 16, AT&T personnel conducted a further settlement discussion, this time with Blaine Gilles, representing Ameritech. The parties discussed pricing issues concerning the calculation and application of AT&T's anticipated transaction-based (i.e., per circuit) recurring and non-recurring rates for terminating baseline and coordinated access services on equipment also used to serve total service. Mr. Gilles indicated that he needed to understand the rates in more detail, and AT&T agreed to provide additional information.

3. AT&T further informed Mr. Gilles that agreement on the initial circuit inventory was key to establishing the billing that Ameritech should expect, and that AT&T wanted to reach agreement on those quantities, using data from both companies. Mr. Gilles also identified transition issues from existing SCPA contracts, NRCs paid, and physical work done or yet to be done, and whether AT&T and Ameritech could negotiate what if any refund of NRCs was appropriate as issues to be resolved.

4. On March 20, counsel for AT&T sent counsel for Ameritech a letter, a copy of which is attached hereto as Exhibit A, formalizing AT&T's proposals for settling the entirety of its SCPA dispute with Ameritech. That same

day, AT&T received from Ameritech via fax (and subsequently via certified mail) a letter (a copy of which is attached hereto as Exhibit B), notifying AT&T of its intention to file this formal complaint with the Commission.

5. Despite the receipt of Ameritech's notice, the parties continued to negotiate regarding this dispute. After receiving a written counter-offer on March 25 from Ameritech's counsel, replying to its March settlement offer, AT&T personnel met again on March 31 with Mr. Gilles representing Ameritech. At that time, AT&T presented Mr. Gilles with a settlement proposal containing pricing information of AT&T's proposed charges. AT&T also agreed to provide Ameritech with an inventory, based on its records, of baseline and coordinated access services in AT&T's POPs in Ameritech's service territory, to permit the parties to reach an agreed-upon circuit inventory.

6. Mr. Gilles stated that the pricing was unacceptable to Ameritech, but indicated that the remaining points of the proposal appeared acceptable, pending the receipt of additional detailed information on ordering, billing and installation. Mr. Gilles also stated that Ameritech planned on filing its complaint with the Commission "by the end of the week" if there was not substantial progress toward a settlement. AT&T undertook at the meeting to provide a response to Ameritech by Thursday afternoon, April 2.

7. AT&T thereafter continued its efforts to resolve this dispute in a mutually agreeable manner. On April 1, AT&T personnel sent the latest AT&T inventory of baseline and coordinated access services to Mr. Gilles. Further, on April 2 AT&T sent Mr. Gilles a letter (a copy of which is attached as Exhibit C), providing revised pricing and reiterating the other terms and conditions to which Mr. Gilles had agreed in the parties' March 31 meeting.

8. However, earlier on April 2, without awaiting the revised pricing information from AT&T, Ameritech had filed this formal complaint with the Commission and had served AT&T designated agent in Washington, D.C. On April 6, AT&T made a further verbal offer to revise its pricing, which offer was not accepted by Ameritech.

Respectfully submitted,

By /s/ Peter H. Jacoby

Mark C. Rosenblum

Peter H. Jacoby

James W. Grudus

Its Attorneys

295 North Maple Avenue

Room 3250J1

Basking Ridge, NJ 07920

(908) 221-4243 (voice)

(908) 953-8360 (fax)

April 22, 1998

EXHIBIT A



William A. Davis II
Chief Regulatory Counsel
Central Region

13th Floor
227 West Monroe Street
Chicago, IL 60606
312 230-2636

March 20, 1998

VIA FACSIMILE AND HAND DELIVERY

Mark Ortlieb, Esq.
Counsel
Ameritech Law Department
225 W. Randolph, 27B
Chicago, IL 60606

Dear Mark:

As you are aware, our clients have been discussing issues relating to AT&T's Shared Customer Provided Access ("SCPA") policy, which was the subject of the litigation in Illinois Commerce Commission Docket No. 97-0624 and is pending in Ohio Cause No. 97-1654-TP-CSS. AT&T is willing, as Rob Poletic and Bruce Bennett have indicated to you and Blaine Gilles, to negotiate a resolution of all disputes between Ameritech and AT&T regarding the SCPA policy, on a region-wide basis and for all circuits, interstate as well as intrastate. We are now in a position to outline comprehensively the terms under which AT&T is prepared to settle this matter:

- For all POPs in the Ameritech region, AT&T will allow the termination of Baseline, Coordinated and Total Service access circuits on shared equipment, whether the circuits are classified as interstate or intrastate;
- AT&T will apply nonrecurring and monthly port charges to Baseline and Coordinated circuits terminated in AT&T POPs; the charges will be the same as those agreed to in the First Amendment to the Interconnection Agreements between Ameritech and AT&T, dated October 21, 1997, and reflected on Attachment 4 thereof;
- Because a mechanized process is not yet in place for assessing charges to Ameritech on a transaction basis, AT&T proposes to establish interim billing procedures until a mechanized process is developed as follows:



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P. 04

Mark Ortlieb, Esq.
Page Two
March 20, 1998

- AT&T and Ameritech will, by mutual agreement, establish an initial inventory of Baseline and Coordinated circuits;
- Per port DS1, DS3 and OC3 charges will be applied to the inventory of Baseline and Coordinated circuits;
- AT&T and Ameritech will re-inventory on a periodic basis until the mechanized billing system is completed;
- Nonrecurring charges will be applied to any growth in the inventory;
- AT&T agrees to waive nonrecurring charges for Baseline and Coordinated circuits terminated on equipment installed prior to March 1995 ("grandfathered" equipment).
- Once the mechanized billing system is completed, the billing for Baseline and Coordinated circuits will be converted to transaction-based nonrecurring and monthly per port charges.
- AT&T agrees that Ameritech may, at its option, use collocation (as described above) or cable interconnection in condominium buildings.
- The terms of the agreement shall be embodied in a contractual arrangement; we would expect the terms and conditions substantially to track those referenced in the First Amendment to the Interconnection Agreement mentioned above.

I believe the foregoing responds positively to each of the points you have raised concerning the SCPA issues. Obviously details and specific provisions will need to be addressed and worked out. We stand ready to meet with you at your convenience and are prepared to discuss any issues you may have in an effort to reach a comprehensive resolution of this matter.

Sincerely,

William A. Davis, II

William A. Davis, II

cc: Blaine Gilles

EXHIBIT B

Ameritech

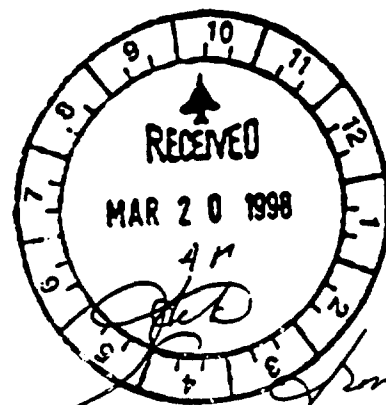
Copy to: Rob
3/20

Blaine C. Gilles
Manager-Corporate Strategy
30 South Wacker Drive
37th Floor
Chicago, IL 60606
312/609-6038

March 20, 1998

3/20
Via Facsimile and Certified Mail

William West
Regional Vice President
AT&T
Room 19NA01
227 W. Monroe
Chicago, IL 60606



Dear Mr. West,

Pursuant to sec. 1.721(a)(8) of the rules of the Federal Communications Commission, Ameritech is hereby notifying AT&T of its intent to file a complaint with the FCC on or about April 2, 1998, and is inviting AT&T's response to this letter reasonably in advance of that date.

The complaint will allege that AT&T's SCPA policy as applied to Ameritech involves unjust and unreasonable practices and rates in violation of sec. 201 of the Communications Act of 1934 (the Act). It will also allege the policy as applied to Ameritech involves unjust and unreasonable discrimination in violation of sec. 202 of the Act. It will further allege that AT&T's failure to tariff the charges for interconnection under its SCPA policy is a violation of sec. 203 of the Act. The complaint will also allege that the policy as applied to Ameritech involves a violation of AT&T's obligations under sec. 251(a) of the Act.

Sincerely,

Blaine C. Gilles

EXHIBIT C



Robert E. Polete Jr.
Vendor Management
District Manager

19th Floor
227 West Monroe
Chicago, IL 60606
312 230-3699

April 2, 1998

Mr. Blaine Gilles. Ph.D
Ameritech
30 S. Wacker Dr.
37th Floor
Chicago, IL 60606

Via FAX and U.S. Mail

Dear Blaine:

Attached is a revised response to the points raised in Mark Ortlieb's March 25, 1998 letter to Bill Davis concerning the SCPA discussions. Based on our discussion on March 31, AT&T has reevaluated its prices. The terms and conditions have not changed in this response.

If you or anyone on the Ameritech team would like to discuss this response in person or over the phone, I am available any time after 2:00 p.m. Friday April 3, 1998.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Polete Jr.".

Robert E. Polete, Jr.